

WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007
Ray C. Schrock, P.C.
Garrett A. Fail
Sunny Singh

*Attorneys for Debtors
and Debtors in Possession*

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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	:
In re	:
	:
SEARS HOLDINGS CORPORATION, et al.,	:
	:
Debtors.¹	:
	:
-----X	

Chapter 11

Case No. 18-23538 (RDD)

(Jointly Administered)

**DEBTORS' OBJECTION TO KINGDOM SEEKERS'
MOTION TO BE LISTED AS A PRIORITY DEBT**

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); SHC Licensed Business LLC (3718); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); SR – Rover de Puerto Rico, LLC (f/k/a Sears, Roebuck de Puerto Rico, Inc.) (3626); SYW Relay LLC (1870); Wally Labs LLC (None); SHC Promotions LLC (9626); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Rover Brands Business Unit, LLC (f/k/a Sears Brands Business Unit Corporation) (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); Sears Brands Management Corporation (5365); and SRe Holding Corporation (4816). The location of the Debtors' corporate headquarters is c/o M-III Partners, LP, 1700 Broadway, 19th Floor, New York, NY 10019.

TO THE HONORABLE ROBERT D. DRAIN,
UNITED STATES BANKRUPTCY JUDGE:

Sears Holdings Corporation and its debtor affiliates, as debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “**Debtors**”), hereby file this objection (the “**Objection**”) to the *Motion to be Listed as Priority Debt, Demand Acknowledgement of Employment and Type of Work Performed* (ECF No. 10487) (the “**Motion**”) filed by Kingdom Seekers, Inc. (“**Kingdom Seekers**”).

Background

1. On September 1, 2021, Kingdom Seekers filed proof of claim 26515 asserting a priority unsecured claim against K-Mart Corporation for \$5,531,000 on the basis of a personal injury sustained prior to the Commencement Date (the “**First Kingdom Seekers Claim**”). On September 14, 2021, Kingdom Seekers filed proof of claim 26517 asserting a priority unsecured claim against Sears Holding Corporation for \$2,500,000 on the basis of services performed prior to the Commencement Date (the “**Second Kingdom Seekers Claim**” and, together with the First Kingdom Seeker’s Claim, the “**Kingdom Seekers Claims**”).

2. On October 19, 2021, the Debtors filed their *Thirty-Sixth Omnibus Objection to Proofs of Claim* (ECF No. 9975) (the “**Claim Objection**”) seeking to reclassify as general unsecured claims certain proofs of claim, including the Kingdom Seekers Claims, on the grounds that such claims did not have a valid security interest in property of the Debtors’ estates or did not otherwise satisfy the requirements for statutory priority under section 507(a) of the Bankruptcy Code. On November 11, 2021, Kingdom Seekers filed the *Response to Debtors’ Thirty-Sixth Omnibus Objection to Proofs of Claim* (ECF No. 10031). The Court entered an order dated November 16, 2021 (ECF No. 10088) granting the Claim Objection and reclassifying the Kingdom Seekers Claims as general unsecured claims.

3. On December 21, 2021, Kingdom Seekers filed a motion to reconsider (ECF No. 10145) (the “**Motion to Reconsider**”). By order dated January 24, 2022 (ECF No.10254) (the “**Prior Order**”), the Court denied the Motion to Reconsider, finding that it did not satisfy the standard for relief under Fed. R. Civ. P. 60(b), as incorporated by Fed. R. Bankr. P. 9024. *See* Prior Order at 3 (“Kingdom Seekers does not assert its mistake, inadvertence, surprise, or excusable neglect in pursuing its opposition to Claim Objection. It offers no new evidence that satisfies the requirements of Rule 60(b)(2)”). The Court noted that the Motion to Reconsider “repeat[ed] arguments contained in its opposition to the Claim Objection.” *Id.* To the extent that the Motion to Reconsider set forth any evidence in support of its arguments, the Court found that such evidence actually supported the Claim Objection’s contentions that the Kingdom Seekers Claims “arose, if at all, years before the bankruptcy petition date (and this not entitled to administrative expense or priority status) and are not secured by a lien.” *Id.* The Court subsequently filed and served a notice² regarding its entry of the Prior Order and the denial of the Motion to Reconsider.

4. Kingdom Seekers filed its Motion on June 15, 2022 seeking, once again, to reclassify the Kingdom Seekers Claims as priority claims.

The Relief Requested Should Be Denied

5. The Motion alleges no new evidence to support the reclassification of the Kingdom Seekers claims as priority unsecured claims pursuant to section 507(a) of the Bankruptcy Code. On the contrary, the Motion repeats the same alleged facts as alleged in both Kingdom Seekers’ response to the Claim Objection as well as the Motion to Reconsider. As the Court noted

² *Notice to Movant Kingdom Seekers, Inc. Re: Order signed 1/24/2022 Denying Motion for Reconsideration* (ECF No. 10255).

in its Prior Order, such alleged facts actually support the Debtors' reclassification of the Kingdom Seekers Claims as general unsecured claims. *See* Prior Order at 3. The Court has already ruled on the Kingdom Seekers Claims twice, and the Motion provides no additional support for the relief sought. Accordingly, the Debtors respectfully request that the Court deny the Motion.

Dated: June 21, 2022
New York, New York

/s/ Garrett A. Fail

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New York, New York 10153

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